

CITY OF ALBUQUERQUE



September 14, 2009

Dear Fellow Employees:

The issue of retirement security for City workers is more important now than ever before. While we are very fortunate to be covered under PERA, it is important for each of us to understand the other options that are available to supplement our retirement savings. With the increased lifespan of retirees and growing health care costs, pensions alone may not be sufficient to meet our needs after retirement.

Congress has declared October 18-24 **National Save for Retirement Week**. At the Conference of Mayors I signed a pledge to actively promote retirement savings among City employees, and to provide educational opportunities to help engender an understating of the importance of saving for retirement and the tools and options available to build those savings.

We have great benefits for City employees and the deferred compensation programs that are currently available to us are among our key benefits. Deferred compensation plans help reduce tax burdens during retirement and increase a retiree's financial resources. Unfortunately, not enough of us are taking advantage of the deferred compensation. Did you know?

PO Box 1293

- **About 61% of American households are at risk for being financially unprepared for retirement.** (Source: National Retirement Risk Index, Center for Retirement Research at Boston College, February 19, 2008)

Albuquerque

Through deferred compensation, City employees can invest for retirement using pre-tax dollars automatically deducted from their paycheck. Employees' invested assets have the opportunity to grow and compound faster than normal savings plans. For an employee in the 25% tax bracket, a \$50.00 contribution results in only \$37.50 being deducted from their paycheck.

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Over the next few weeks you will see postings and receive informational emails about the value of deferred compensation, as well as a schedule of dates and times deferred compensations representatives will be available at different City locations to provide information and answer questions. Look for notice about our **"Save for Retirement" Meeting in the City Council Chambers on Wednesday, October 21 from 12:00pm-1:00pm**. Representatives from all three deferred compensation plans and our City retirement consultant will be on hand to provide a brief presentation on the importance of retirement planning and answer any questions specific to their plans and enrollment.

I encourage everyone to attend the workshop on October 21 or contact the Insurance & Benefits Division of Human Resources at (505) 768-3758 if you have any questions about our deferred compensations program.

Best wishes,

Martin J. Chávez,
Mayor

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MJC/pm